

OPERATIONS COORDINATING BOARD

Washington 25, D. C.

DRAFT

(Unclassified when detached
from secret attachment)

INTERIM REPORT OF U.S. PERSONNEL STATIONED
IN FOREIGN COUNTRIES

Purpose of the Report

1. The purpose of this report is to (a) provide a factual statement concerning numbers, trends, and categories of Americans residing in foreign countries, (b) recommend a system of periodic reporting to the President and to the National Security Council on the numbers of U.S. Government or Government contractor personnel stationed in foreign countries and agency actions either to restrict or reduce the number of such personnel to the minimum required to implement essential programs, and (c) recommend arrangements to develop actions to improve foreign public attitudes toward Americans residing in selected foreign countries.

Background

2. On June 7, 1957, the President requested the OCB to (a) prepare a factual report on the number of U.S. employees and dependents stationed in foreign countries, and (b) recommend actions to improve foreign public opinion toward such personnel.

3. The OCB has previously had no responsibility for coordinating agency efforts to restrict the number of U.S. personnel stationed in foreign countries, except for the five Southeast Asia countries covered by NSC 5612/1. OCB member agencies have agreed to issue directives to conduct surveys for this purpose in Cambodia and Thailand, and, in Vietnam, to make further efforts to utilize non-American contract employees.

4. An inter-agency group under the Chairmanship of the Assistant to the President has been meeting to coordinate efforts to reduce the number of Federal employees generally. As outlined in the Cabinet Paper of June 27, the purpose of the review is "to provide recommendations for Cabinet discussion and Presidential decision" in connection with the budget and legislative program for next year.

5. The attached tabulation compiled in the OCB from currently available sources in Washington shows a net over-all increase in U.S. personnel and dependents in the past year of about 60,000 (1,023,000 to 1,084,000), mostly in dependents of military personnel. U.S. citizens

employed in foreign countries in civilian capacities have increased from 34,011 to 34,931 from April 1956 to April 1957. Approximately 1,665,000 Americans, or 1% of our total population, were living in foreign countries at the beginning of 1957. This includes approximately 580,000 persons who were not employees of the U.S. Government, and dependents thereof, although the figure of 580,000 does include U.S. personnel working for contractors employed by the Government.

Recommendations

6. It is recommended that the President approve the following recommendations:

(a) That the U.S. Government agencies having employees overseas make reports every six months to the OCB on a common basis covering the following categories by country:

(1) Civilian employees and dependents.

(2) Military personnel and dependents, reporting separately attaches, MAAG personnel, and combat troops.

(3) Personnel employed by contractors of U.S. Government agencies, together with their dependents.

(b) That the OCB identify the countries or areas representing potential trouble spots requiring study and review by each responsible agency to insure that the number of such personnel is restricted to the limit required to implement essential U.S. programs.

(c) That the OCB submit a report to the President and the National Security Council by September 30 of actions being taken by each agency under (b) above.

(d) That the OCB coordinate a review of existing agency administrative practices having a bearing on and specific actions designed to improve foreign attitudes towards U.S. nationals stationed in the countries and areas identified in (b) above, and report to the President and the National Security Council its findings and recommendations not later than January 1, 1958. This review should include such matters as housing and recreational arrangements, briefing and orientation programs, language training, and similar matters.

Attachments:

1. Historical Background Summary of Developments Relating to the Number of Governmental Personnel Stationed Overseas.
2. Statistical Tables 1 - 11
3. Explanatory Notes for Statistical Tables 1 - 10, 11

HISTORICAL BACKGROUND SUMMARY OF DEVELOPMENTS
RELATING TO THE NUMBER OF GOVERNMENTAL PERSONNEL
STATIONED OVERSEAS

1. In July 1956, the President expressed his concern over reports that "in some instances, the total number of U.S. individuals assigned to tasks abroad has become too great." This was contained in State Circular 58 of July 24, 1956, to the Chiefs of missions.

2. State Department Circular 168 of September 5, 1956 which directed a review by each mission chief of country programs in connection with the budget presentations for FY 1958 provided:

"This review should ensure that the total number of U.S. official personnel and contractors in each country is reduced to the minimum required to implement essential U.S. programs. Reductions in requirements for personnel may be achieved at the country level by reorganizing the administration of programs, fields of activity or projects. Chiefs of Mission are therefore instructed to direct and coordinate careful reviews of personnel complements in collaboration with representatives of the agencies concerned and to submit their recommendations."

3. NSC 5612/1, "U.S. Policy in Mainland Southeast Asia," dated September 5, 1956, included in paragraph 26 the following regional courses of action:

"26. Hold or reduce the number of U.S. officials in each country to a strict minimum consistent with sound implementation of essential programs, in order to head off an adverse political reaction to the presence of a large number of Americans in relatively privileged positions."

4. In implementation of the above, the OCB Outline Plan of Operations agreed upon surveys to be made in all overseas agencies in an effort to reduce personnel, particularly administrative personnel, in Cambodia and Thailand. In the case of Vietnam, the OCB agreed upon the following action:

"While the demand for U.S. technicians by the Vietnamese Government and the necessity of giving adequate technical assistance in current and proposed programs involves pressure for increased American personnel, every effort should be made to resist such pressure, and where non-American contract employees can adequately perform technical services they should be used as far as possible. Every effort should be made, through tactful and discreet conduct, to minimize any possible undesirable reaction due to the presence of a large number of Americans."

5. Ambassador Rankin has expressed the view that one of the factors stimulating the May 25 Taipei riots was the large number of U.S. personnel in Taiwan.

6. On October 15, 1956, the President appointed Mr. Frank Nash as a Special Consultant to the President "to carry out a study or make recommendations with respect to our system of overseas military bases and operating facilities." This study, in which the President directed that all aspects of the problem of stationing U.S. military personnel should be examined, is under way and is expected to be completed in the fall.

7. At the May 29, 1957 meeting, the Operations Coordinating Board (1) discussed the effect of the size of the number of U.S. civilian and military personnel overseas on the attitude of the local population toward the United States. The Board noted that while existing policy is to reduce the total number of U.S. official personnel and contractors to the minimum required to implement essential U.S. programs as set forth generally in a message from the President transmitted to the Chiefs of Missions in State Circular No. 58, July 24, 1956, and in the separate State Circular No. 168, September 5, 1956, the number appears to have increased.

(2) The Board noted that no complete and regular consolidated reports are available on the number of American civilian and military personnel and their families overseas and agreed that the OCB should develop such reports to facilitate reporting to the President on the implementation of the policy.

(3) The Board noted also that the Department of Defense has instituted surveys of the MAAGs and of the Military Attaches with the expectation that they may be reduced by about 12% in fiscal year 1958.

8. Subsequent to the OCB meeting, when the President was informed of the OCB action, he requested that the OCB report, and its recommendations in connection thereon, be presented to the National Security Council as soon as possible as a basis for consideration by the Council and action by the President.